Foreigu Travel Scheme

J965. SHRI SUBAS MOHANTY; Will the PRIME MINISTER be pleased to state;

(a) whether it iS a fact thai Government have received representations to revise the Foreign Travel Scheme 90 that bi-annual sanction can be given for genuine travellers;

(b) if so. what steps Government propose to take to remove illegal foreign exchange transactions by liberalising 'such BChsmes so as 10 assist genuine Indian travellers:

(c) whether shortage of foreign ex change is acting as a constraint to libera lisation of this scheme: 'and

(d) whether it is also fact that payments of large amount of foreign exchange *'a* presently being made as interest payments on. banking accounts of non-resident Indians?

THE MINISTER OF STATE OF THE MINISTRY OF PETROLEUM AND NATURAL GAS AND THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BRAHM DUTT): (a) to (c) Yes, Sir. A few representations have been received with this request. In the light of experience- gained in the administration of the Foreign Travel Scheme, Government hare rationalised the Scheme by introducing certain changes effective 7th April. 1986. This has been done C° conserve foreign exchange and to eliminate the misuse' of the facility by certain un-scrupulous elements. This will not causa hardship to a genuine traveller. Government is enforcing 'the provisions of Foreign Exchange Regulation Act strictly to. prevent illegal transactions. Liberalisation alone will QO| stop illegal transactions, conservation of foreign exchange was one of the reasons for revising the scheme.

(d) The interest payable on deposits of Nan-Resident Indians under the Foreign. Currency Non-Resident CFCNR) accounts during the last three years is as followt: —

(Amount in millions)

Year	*US dollar**	
1984	28. 40	
1985	47. 94	17. 67,
1986	113. 02	47

The balances in the Non-Resideat (Ex ternal) Rupee (NRE) accounts are main tained in Rupees and the question pj pay ment of principal and interest in foreign currencies 'arises only when '(. ion of such balances are sought by *the* depositors. As such, details of the interest payable in foreign exchange on such accounts is not separately being compiled.

Report prepared by Economic Bureaa

1966. SHRI J. P. GOYAL: Will the PRIME MINISTER be pleated I. tate:

(a) whether it is a fact that the Bcoao-mic Intelligence Bureau of the Ministry of Finance had prepared a preliminary report on the Indians having huge illegal funds abroad;

(b) if so, what are the detai ibis regard; and

(c) what action has been taken in the matter?

THE MINISTER OF STATE OF T. THE MINISTRY OF PETROLEUM AND NA. TURAL GAS AND THE MINISTER OF STATE IN THI£ MINISTRY OF FIN ANCE (SHRI BRAHM DUTT): (a) No, Sir.

(b) and (c) In view of (a) above, the questions do. not ai